



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

DEC - 5 2008

Mr. Dick Sauber, Esq.
Robbins Russell
1801 K Street, NW, Suite 411L
Washington, D.C. 20006

Re: MUR 6074

Dear Mr. Sauber:

On October 23, 2007, you notified the Commission that four employees of Edwards and Kelcey, Inc. ("EK"), a corporation acquired by Jacobs Engineering, your client, made contributions to various federal political and candidate committees from 2003-2006, which were then reimbursed by EK. On September 11, 2008, the Commission, after considering all the information you provided, determined to dismiss the allegation that Jacobs Engineering Group/Edwards and Kelcey, Inc. violated 2 U.S.C. §§ 441b(a) and 441f.

Nevertheless, Jacobs Engineering Group/Edwards and Kelcey, Inc. should be aware that violations of 2 U.S.C. §§ 441b(a) and 441f for making impermissible contributions have resulted in admonishment from the Commission. Jacobs Engineering Group/Edwards and Kelcey should take steps to ensure that this activity does not occur in the future.

The Commission closed its file in this matter. The Factual and Legal Analysis, which formed a basis for the Commission's determination, is attached for your information. Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003).

The Commission will contact the political committees involved in this matter regarding the impermissible contributions. Based on my conversation with you, we will inform the committees that your client has waived its right to a refund and agreed to instruct the recipient committees to disgorge the contributions to the U.S. Treasury.

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If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "April J. Sands". The signature is fluid and cursive, with a large loop at the end.

April J. Sands
Attorney

Attachment
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

3 **MUR 6074**

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8 **RESPONDENT:** Jacobs Engineering Group, Inc./Edwards and Kelcey, Inc.

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11 Jacobs Engineering Group, Inc. ("Jacobs") reports that four
12 employees of Edwards and Kelcey, Inc. ("EK"), a corporation it recently acquired, made
13 contributions to various federal political and candidate committees from 2003-2006, which were
14 then reimbursed by EK in violation of the Federal Election Campaign Act of 1971, as amended
15 (the "Act").

16 **I. FACTUAL BACKGROUND**

17 Jacobs Engineering Group, Inc. is a publicly traded corporation that describes itself as a
18 broad-based technical professional consulting firm. In early 2007, Jacobs was engaged in
19 discussions to acquire Edwards and Kelcey, Inc., a privately held engineering services firm. As
20 part of its due diligence, Jacobs discovered that EK had apparently reimbursed employees for
21 federal political contributions in violation of the Act. The transaction to purchase EK by Jacobs
22 was completed on April 11, 2007.

23 Following the discovery of the reimbursed contributions, EK asked its outside
24 accountants, WISS & Company LLP ("WISS") to perform an audit of certain EK records. WISS
25 identified the following six contributions totaling \$1,800 made by four EK employees for which
26 those employees submitted EK Expense Reimbursement Forms requesting reimbursement for the
27 contributions:

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1 includes a section explaining the laws regarding political contributions. This reaffirmation last
2 took place in September 2007. Jacobs also now requires that all employee expense reports be
3 submitted electronically to an audit team that follows written guidelines for reimbursement that
4 include instructions not to reimburse political contributions.

5 Furthermore, the individual who was improperly reimbursed and is still employed by EK
6 has been instructed to reimburse the company for the amount involved. Neither Jacobs nor EK
7 have contacted the political committees to inform them of the impermissible contributions, and
8 we have no information suggesting that the political committees are aware that the received
9 contributions were reimbursed.

10 **II. ANALYSIS**

11 EK appears to have violated 2 U.S.C. §§ 441b(a) and 441f by making impermissible
12 contributions from 2003 to 2006 in the names of others.¹ The Act defines "contribution" as
13 anything of value made by any person for the purpose of influencing any election for federal
14 office. 2 U.S.C. § 431(8)(A)(i). Under the Act, corporations are prohibited from making
15 contributions or expenditures from their general treasury funds in connection with any election
16 of any candidate for federal office and corporate officers are prohibited from consenting to such
17 contributions. 2 U.S.C. § 441b(a). The Act also provides that no person shall make a
18 contribution in the name of another person or knowingly permit his or her name to be used to
19 effect such a contribution, and that no person shall knowingly accept a contribution made by one
20 person in the name of another person. 2 U.S.C. § 441f.

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1 Jacobs acknowledges that the reimbursement by EK of contributions made by employees
2 appears to be a violation of the Act. While the Commission could make reason to believe
3 findings and seek civil penalties from both EK (now a subsidiary of Jacobs) and the four
4 individual contributors, there are reasons not to pursue this matter. It appears that all reimbursed
5 contributions have been disclosed and that Jacobs/EK has engaged in sufficient subsequent
6 remedial measures to ensure this type of activity does not recur. Given the contributors' lack of
7 sophistication with the Act, their lack of an attempt to disguise the contributions and requests for
8 reimbursements, and the amounts involved, the most prudent course of action and the most
9 efficient use of the Commission's resources is for the Commission to exercise its prosecutorial
10 discretion and dismiss this matter with admonishments to Jacobs/EK and the four employees
11 pursuant to *Heckler v. Chaney*, 470 U.S. 821 (1985).

12 The federal political committees that received contributions from EK employees between
13 2003 and 2006 have not been notified of their receipt of impermissible contributions. Under the
14 Act, no person, including a political committee or a candidate, may knowingly accept or receive
15 a corporate contribution. 2 U.S.C. § 441b(a). At this time, there is no information that any of
16 the political committees had any knowledge that the contributions they received from the EK
17 employees were made with corporate funds. Accordingly, we make no findings regarding the
18 recipient committees.